

# SCHUMER, NADLER: NEW OBAMA ECONOMIC STIMULUS PACKAGE COULD MEAN HUNDREDS OF MILLIONS OF DOLLARS FOR NEW YORK TO UPGRADE AGING MASS TRANSIT SYSTEM, HELP EASE MTA BUDGET CRUNCH

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NEW YORK -- With the Metropolitan Transportation Authority (MTA) facing an historic budget crunch and New York City commuters on edge about service cuts and the deterioration of the overall transit system, U.S. Senator Charles E. Schumer and Congressman Jerrold Nadler today announced that the new federal economic stimulus package could include hundreds of millions of dollars in emergency funding to help the MTA maintain and upgrade its system and, at the same time, close its historic budget gap. Schumer and Nadler said that he pushing to have at least \$20 billion in new funding devoted to investing in mass transit nationally included in the stimulus package now being drawn up by President-Elect Barack Obama's transition team and Congressional leaders. Schumer and Nadler said the money would be used to kick start long delayed bus and subway projects that are in danger of being shelved as the budget crisis has forced the MTA to cut back on its \$28 billion capital program. While the primary goal of the stimulus package is to prime the pump of the ailing national economy, Schumer and Nadler said the billions of dollars in new funding for mass transit would be a big win for NYC straphangers.

"The economic stimulus package would be a win-win-win for commuters and a shot in the arm for our aging mass transit system," Schumer said. "First, the hundreds of millions of dollars in new funding would go directly to long-delayed projects and would immediately improve the quality and efficiency of service. Second, it would help MTA cope with its budget problems caused by massive increases in ridership. And third, the money would prime the pump of our regional economy and create good jobs, quickly. We are going to work night and day to make sure this stimulus package gives New York the boost we need and keeps our mass transit system on track."

"This stimulus could be a life-saver for New York's mass transit system. With the MTA facing unprecedented challenges, lacking sufficient funds to maintain current services and for capital investments for future needs, Federal stimulus funds are absolutely critical," said Rep. Nadler, who is the Senior Northeast Member on the House Transportation and Infrastructure Committee. "Investing in mass transit is the perfect use for stimulus money. It puts people to work quickly, while improving our future economic competitiveness. Sen. Schumer and I will work strenuously to see that the stimulus bill puts as much funding as possible into mass transit, and, in particular, into New York mass transit."

"Billions for transit projects is just the green shot in the arm that America and New York need," said Gene Russianoff, staff attorney for the NYPIRG Straphangers Campaign. "We applaud Senator Schumer's and

Congressman Nadler's standing up for the millions of transit riders across the country."

Due to the downturn in the national and global economy, the MTA is now facing an historic budget deficit of more than \$1.2 billion that by law needs to be closed by the summer. To close the budget gap, the MTA this month approved a budget that includes significant service cuts, fare hikes, and the canceling part of the authority's \$28 billion capital program including long-awaited infrastructure projects, from station upgrades, to purchasing new rail cars and buses, to installing new energy-efficient "green" technology across the city.

To combat the national economic crisis, President-Elect Obama's transition team along with Congressional leaders are drawing up a massive economic stimulus package that will include middle class tax cuts, direct fiscal aid to state governments, and tens of billions of dollars to upgrade America's aging infrastructure all aimed at priming the pump of the national economy. Schumer and Nadler said that the infrastructure piece of the stimulus piece is critical because this type of federal spending has the two-fold benefit of not only creating good paying jobs across the country, but also upgrading and modernizing dangerously antiquated pieces of infrastructure such as decades old roads, bridges, and sewer systems. According to the American Association of State Highway and Transportation Officials (AASHTO), for every \$1 billion invested in federal highway and transit infrastructure, an estimated 47,500 jobs are created and an estimated \$5.7 billion in economic activity is generated.

Schumer, who as a member of the Senate leadership, and Nadler today announced they are going to push to include more than \$20 billion in funding solely devoted to maintaining and upgrading mass transit systems. If the portion of stimulus dedicated to mass transit is \$20 billion, the MTA would be in line to receive billions of dollars from this pot of funding. Historically, New York has received one out of every five dollars spent by the federal government on mass transit.

Specifically, Schumer and Nadler said the stimulus dollars would be spent on a wide-range of capital projects, from large ticket items such as upgrading entire stations and rebuilding subway tracks, to smaller ticket projects such as painting bridges and installing new bus depots. In addition, the MTA has said it will target the funding toward "green projects" such as purchasing state of the hybrid buses and retrofitting parts of the system to use renewable energy. There are dozens of critical projects in all five boroughs and the suburbs that have had to be put on hold or even cancelled due to a lack of funding. The funding

from the stimulus package would be used to get those projects up and running and completed, both as a means of creating new, good jobs in New York, but also bringing the system in to the 21st century.

The MTA has indicated that several high priority projects that have been delayed by the budget crunch could benefit from the new funding including two dozen station rehabs, the number 7-train Tenth Ave station project, East Side Access, Second Avenue Subway. All of the above are delayed or postponed and would be aided by federal capital injections. Below are other specific projects that may benefit.

- New Jamaica Bus Depot for NYC Transit
- PA/CIS at 43 additional subway stations
- 47-50 Sts-Rockefeller Center Station Rehabilitation
- Priority parking repairs at Metro-North stations
- ADA-compliant station railings at 20 LIRR stations
- 10th Avenue Station Structure for 7 Line Extension
- 63rd Street Station Upgrade for Second Avenue Subway
- Lexington Avenue subway connection for East Side Access
- Completion of original scope of Fulton Transit Center project

- Bus Rapid Transit (BRT) is a cost-effective approach to enhancing bus service via a combination of dedicated bus lanes, limited stops, streamlined fare collection, traffic signal priority, and marketing. This amount funds the expansion of NYC Transit's Select Bus Service BRT pilot to all five boroughs.

- Purchase 1,575 new Hybrid buses.

On top of the \$20 billion devoted to capital improvements, Schumer and Nadler today announced they are also going to push to have an additional \$2 billion in direct fiscal aid for transit agencies included in the stimulus, which could be used by the MTA and other transit systems to cover the rapid increases in daily operating costs caused by the jump in demand. This type of funding would also go a long way toward closing the budget gap.

Schumer and Nadler also said that, along with being a smart economic investment, boosting mass transit in New York and across the country would help conserve energy and reduce America's dependence on foreign oil. Schumer and Nadler said that the billions of dollars expected to be included in the stimulus package would be the largest federal investment in the nation's transportation network since the creation of the interstate highway system in the 1950's.

Though Congressional leaders are still drawing up the specific details of how the funding would be distributed, Schumer and Nadler said that so-called "shovel ready projects" would receive priority in funding, meaning construction could begin shortly after the funding was made available. Schumer, along with Governor David Paterson, are drawing up a list of critical projects that would meet this criteria.

As part of the package, Schumer and Nadler are going to push to expand the eligibility limit for projects from being able to be started 90 days after receiving funding to 180 days after receiving the federal money. According to the transportation officials, there aren't enough projects across the country that meet the criteria and expanding the eligibility requirement will ensure that the full amount of funding set aside by Congress can be allocated.

New York City's mass transit system, including MetroNorth and the Long Island Railroad, handles nearly one third of the nation's transit passengers, providing 8.5 million rides each day and more than 2.6 billion rides per year.